



IMPROVING PRODUCT QUALITY ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AT CINCAU STATION SURABAYA

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Abstract

Developing Indonesia's food and beverage business is increasing, ensuring product quality must be maintained. One of the products is Cincau Station. Cincau Station is a healthy drink made from fresh grass jelly leaves. However, the product needed a higher quality. Cincau station must have advantages; good quality products can help a business be better than other businesses. One way to increase competitive advantage is to link product quality with customer loyalty. Product quality has a very close relationship with customer satisfaction because product quality can be assessed from the product's ability to create customer loyalty. Product quality also has a positive and significant effect on customer loyalty. Customers feel that the price of Cincau Station products is affordable, and the taste of Cincau Station products is also better than other brands.

Keywords: quality, loyalty, intervening variables

INTRODUCTION

The food and beverage industry can innovate, namely by making products that are more modern but also prioritize health. One of them is a product from Cincau Station. Cincau Station is a healthy drink made from fresh grass jelly leaves. According to research, green grass jelly, which is the main component in this drink, has a practical effect in controlling high blood pressure. Refreshing drinks with green grass jelly components can also be used to make medicines.

The organization makes such a decent item; it makes clients exceptionally blissful, and they need to keep purchasing from it. Beverage manufacturers must guarantee the high quality of their products if they want to be the best. Organizations should keep on improving and improving their items as well. Indrawati (2018) quotes Kotler and Armstrong (2004) as saying that product quality is closely linked to customer satisfaction due to the product's capacity to engender customer loyalty.

According to Kotler (2005), a consumer or customer will be more confident in their decision if the brand meets or exceeds their expectations, provides quality assurance to each customer or customer, and is produced by a company with a good reputation.

As per Kotler (2006) and Iga Mawarni (2018), fulfillment is an individual's sensation of satisfaction or frustration that emerges from looking at the apparent exhibition of an item or administration against their assumptions. Given this definition, consumer loyalty is a reaction from clients to an item, whether labor or products bought, by contrasting item execution and client assumptions. A lot can depend on how customers feel about a business. As per Kotler (2005), a shopper

or client will be more optimistic about their choice, assuming the brand meets or surpasses the client's or, alternately, the client's assumptions, gives quality confirmation to every client or client, and is created by an organization with a decent standing.

Customers are more likely to return When they are happy with a business. It is suitable for business because retaining existing customers costs less than finding new ones. Happy customers tell their friends how good the business is; this helps the business get more customers without spending money on advertising Lovelock and Wright (2007).

Respondent Characteristics

In this research, the samples used were respondents who had made repeat purchases of Cincau Station products or were called Cincau Station customers. Consumer characteristics in this research are classified into several characteristics based on gender, age, and education. The first characteristic is based on the gender of the respondents, which is divided into men and women.

Table 1. Characteristic is based on the gender of the respondents

Gender	Total (People)	Percentage (%)
Male	35	34,02
Female	65	65,98
Total	100	100

Sources: Data Processed, 2023

The second characteristic is based on the respondent's age, divided into a specific period.

Table 2. Characteristic is based on the respondent's age

Years	Total (People)	Percentage (%)
17-24	54	54
25-32	30	30
33-40	13	13
>40	3	3
Total	100	100

Sources: Data Processed, 2023

The third characteristic is the division of respondents based on the type of work.

Table 3. Characteristic is the division of respondents

Jobs	Total(Orang)	Percentage (%)
Admin	2	2
Sales	8	8
Housewife	3	3
Private sector employee	21	21
College Student	30	30
Student	24	24
Entrepreneur	12	12
Total	100	100

Sources: Data Processed, 2023

Based on these results, it can be concluded that women have the highest percentage of women, 65.98%. The following characteristic is the type of respondent with age characteristics, aged 25-32

years; the highest is up to 30%. The highest job characteristics are occupied by students, with a percentage of 30% Of the total.

Description of Respondents' Assessment of Research Variables

The respondent's assessment or answer is obtained from the size of the mean class interval; then, a scale range is created to see where the average respondent's assessment of each variable is. The following is the formula for finding the scale range:

$$RS = \frac{m - n}{k}$$

Information :

RS : Scale Range

m : Maximum Score

n : Minimum Score

k : number of questionnaire scale points.

So, the steps and processes carried out are:

$$RS = \frac{5 - 1}{5}$$

$$RS = 0,8$$

1. Evaluasi Outer Model or Measurement Model

In this exploration, legitimacy testing will be completed by looking at the outcomes in the external stacking table for every variable: item quality, consumer loyalty, and client steadfastness. A singular reflection measure is supposed to be substantial if it has a connection worth ≥ 0.7 .

The result depicts every pointer's stacking factor esteem (joined legitimacy). This table shows that all stacking factor upsides of the examination variable markers are more prominent than 0.70. It shows that the pointers are legitimate.

2. Discriminant Validity

The discriminant legitimacy of the estimation model is surveyed, given cross-stacking estimations with the build. Suppose the connection of the build with the principal estimation (every pointer) is more prominent than the size of the other development. In that case, the inert build predicts the marker better than the other build. The discriminant legitimacy test results were acquired as follows: Additionally, a value of AVE more significant than 05 is strongly suggested.

Table 3. Discriminant validity values Fornell Larcker

	X	Y	Z
X	0.783		
Y	0.726	0.835	
Z	0.738	0.761	0.778

Source: Data processing with PLS, 2023

In light of Fornell-Larcker Model estimations, it was found that the relationship esteem

between factors was still underneath the square root worth of AVE (strong). Consequently, all pointers in every variable in this study met discriminant legitimacy.

3. Evaluate Reliability Tests

A build is pronounced dependable on the off chance that the composite unwavering quality worth and Cronbach alpha worth are above 0.70. The composite reliability and Cronbach alpha outputs are as follows:

Table 4. Reliability

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Xx	0.971	0.973	0.613
Yy	0.951	0.958	0.697
Zz	0.949	0.955	0.605

Source: Data processing with PLS, 2023

The AVE incentive for the four developments is more prominent than 05, so it may be reasoned that the assessment estimation model has significant discriminant legitimacy.

Aside from developing legitimacy testing, building unwavering quality testing was likewise completed, which was estimated utilizing rules tests to be specific composite dependability and Cronbach alpha from the marker block that deliberate the development. A build is dependable if the composite unwavering quality and Cronbach alpha qualities are above 0.70. So the development has excellent unwavering quality.

4. Hypothesis test

Bootstrap testing is likewise planned to limit the non-ordinariness of exploration information. The following are the PLS analysis bootstrapping test results: Tabel Way Coefficient (Mean, STDEV, T-Values)

Table 5. Mean, STDEV, T-Values

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Note
X -> Y	0.361	2.154	0.032	Significant
X -> Z	0.738	11.263	0.000	Significant
Z -> Y	0.494	3.238	0.001	significant

Source: Data processing with PLS, 2023

Based on this table, a description of the test results can be obtained as follows:

a. Hypothesis Testing 1 (Product Quality has a significant effect on Customer Loyalty)

The results of testing the first hypothesis show that the relationship between the Service Quality (X) variable and Customer Loyalty (Y) shows a path coefficient of 0361 with a t value of 2.154. This value is greater than the t table (1.960).

b. Hypothesis Testing 2 (Product Quality has a significant effect on Customer Satisfaction)

The results of testing the second hypothesis show that the relationship between the Product Quality (X) variable and Customer Satisfaction (Z) shows a path coefficient value of 0.738 with

a t value of 11263. This value is greater than the t table (1.960).

c. Hypothesis Testing 3 (Customer Satisfaction has a significant effect on Customer Loyalty)

The results of testing the third hypothesis show that the relationship between the variable Customer Satisfaction (Z) and Customer Loyalty (Y) shows a path coefficient value of 0.494 with a t value of 3.238. This value is greater than the t table (1.960).

d. Hypothesis Testing 4 (Effect of Product Quality on Customer Loyalty through Customer Satisfaction as an Intervening Variable)

The results of testing the fourth hypothesis show that the relationship between the Product Quality variable and Customer Loyalty (Y) through Customer Satisfaction shows an indirect path coefficient value of 0.365 with a t value of 3.285. This value is greater than the t table (1.960).

The Influence of Product Quality Variables on Customer Loyalty Variables

Given the consequences of factual examination utilizing the way examination technique, it may be seen that the Item Quality variable affects Client Dedication, showing that the way coefficient esteem is 0.361. The positive bearing of the relationship shows that the better the item quality, the more the client's steadiness will likewise increase. The consequences of the way investigation show a likelihood or critical t worth of 0.032 with an alpha of 0.05 ($0.032 < 0.05$), demonstrating that the Item Quality variable fundamentally affects the Client Unwaveringness variable. As per Indrawati (2018), item quality can be estimated by the item's capacity to fulfill clients.

The Influence of Product Quality Variables on Customer Satisfaction Variables

In light of the consequences of factual examination utilizing the way examination strategy, the item quality variable impacts consumer loyalty, showing that the coefficient of esteem is 0.738. A positive relationship course shows that the better the item quality, the consumer loyalty will likewise increase. The consequences of the way investigation, which shows a likelihood worth or p-esteem t of 0.000 with an alpha of 0.05 ($0.000 < 0.05$), demonstrate that the Item Quality variable essentially affects the Consumer loyalty variable.

The Influence of Product Quality Variables on Customer Loyalty Through Customer Satisfaction Variables as Intervening Variables

In light of the consequences of factual examination utilizing the way examination technique, the item quality variable impacts client reliability through consumer loyalty, showing that the coefficient of esteem is 0.365. The positive heading of the relationship shows that the better the consumer loyalty, the higher the intercession between item quality and client dedication, which will likewise increment. The consequences of way examination, which show a likelihood or huge t-worth of 0.001 with an alpha of 0.05 ($0.001 < 0.05$), demonstrate that the Consumer loyalty variable can intervene essentially between the Item Quality variable and the Client Faithfulness variable.

CONCLUSION

Based on the problems that have been formulated, the results of the analysis and hypothesis testing that have been carried out in the previous chapter, the following conclusions can be drawn from the research carried out:

1. Overall, Cincau Station is of good quality, but two indicators do not meet expectations, namely the durability of Cincau Station products, which do not last long (quickly spoil), and inconsistent taste quality
2. Product quality has a positive and significant effect on customer loyalty. Customers feel that the price of Cincau Station products is affordable, and the taste of Cincau Station products is also better than other brands.
3. The quality of Cincau Station products has provided satisfaction to its customers so that customer loyalty increases.

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